

REVIEW OF THE YEAR 2023

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Good afternoon:

It is a real pleasure to meet again to celebrate this traditional Christmas cocktail with you. After what we had to live through during the pandemic, these occasions, when we can talk and share ideas in the short distance, are even more appreciated, if possible. With this cocktail we put the finishing touch to a year of drought in IPOs, not in small companies from BME Growth, but very profitable for the issuers and for investors in terms of share price and dividends.

Despite this good performance, which puts the IBEX 35® at its highest level since the Covid-19 crisis, as Jos has just pointed out, the year has been anything but calm. We have seen the escalation of the war in Ukraine and the Middle East, experienced an earthquake in Turkey, won the women's World Cup, and witnessed changes of government in Brazil or Argentina. The central banks tightened their monetary policies and some companies, such as Telefónica, recorded movements in their capital. In terms of national politics, we have had elections and a negotiation to secure the legislature that has generated many headlines in your newspapers, radios and magazines. It has also been, according to experts, the warmest year on record, so climate change and sustainability have also been big topics of conversation in recent months.

As we said: a vibrant year full of challenges to deal with which, from the perspective of the stock markets, could be summarized in the following summary:

1. The indisputable headline is that the **IBEX 35® closes the year above 10,000 points**, which means surpassing pre-Covid levels, with a **return of 22%**, in an environment of high interest rates that favor one of the sectors with the most weight in the index: **banking**.
2. This rise consolidates **SIX**, to which BME has belonged since 2020, **among the 10 largest market operators in the world**, with a market capitalization in **Spain of 1.18 trillion euros and 1.65 trillion euros in Switzerland**.

3. For yet another year, the Spanish stock market stands out for its high **shareholder remuneration, which grew by 19% in the year, exceeding 27.4 billion euros** up to November. The final figures for the year are likely to increase this figure. Once again, **the historical dividend yield is above 4%.**
4. In line with the recommendations of the Capital Market Union, BME has continued its commitment to facilitate financing for small and medium-sized companies. In this regard, I would like to highlight the **10 incorporations registered in BME Growth**, as well as the **7,000 million euros that have been channeled to companies since its creation in 2006.** I would also like to highlight the launch of **BME Scaleup**, the marketplace for start-ups.
5. As for the **Fixed Income markets**, 2023 has been a year of transition, in which interest rates seem to have peaked and a new **Securities Markets Law** has been introduced, making the Spanish market more attractive. At the end of the year, **public and private debt issues exceeded 400 billion euros.**
6. We also celebrated the **MARF's tenth birthday.** Since the launching, the market has reached **147 issuers and generated financing for more than 70 billion euros.** Its funding capacity, measured in terms of **outstanding amounts, is close to 9 billion euros.**
7. Another of the year's major headlines was **sustainability**, one of the pillars of our strategy as a market infrastructure and as a company. In order to promote sustainability among issuers, we launched the **IBEX® ESG** in October, comprising the companies with the best sustainability performance. I would also highlight the volume of **14 billion euros registered in green, social or sustainable debt** throughout the year in BME's fixed income markets. There are now 95 ESG-labeled issues on BME, compared to 85 last year.

8. In the **Derivatives** market we have seen a **1% increase in trading**. I would also highlight the **new functionalities that have been implemented to make retail investment** in these financial instruments more attractive.
9. **BME Clearing**, on the other hand, added a **new clearing segment for Futures on Digital Assets**.
10. Finally, with regard to **Iberclear's activity**, I would highlight the incorporation of the **Belgian market to the cross-border settlement and custody service**, as well as an **increase of 6.8% in the balances recorded in Public Debt**.

I encourage you to download the 2023 Market Report, which goes in depth into each of these points of the Decalogue and which is already published on our website. This report is a great reference to know what happened during the year, and we at BME are very proud of it. I am sure it will help you in your articles and reports on the balance of the year.

As I said at the beginning of my speech, 2023 was not exactly a boring year. But the context has not favored the incorporation of new companies to the stock market, beyond the 10 that have joined BME Growth. This situation is not something that happens only in Spain: it occurs globally.

However, in our country, it is aggravated by a tax system that is not always favorable to the markets. All those involved (legislators, regulators, issuers, investors, advisors) need to promote a framework that protects and boosts the stock markets. The contribution of securities markets to the growth and modernization of countries is decisive, as they make it possible to finance such important and demanding challenges as the transition to a sustainable economy, the aging of the population or the digital revolution, in both the private and public sectors.

We trust that the new set of regulations that have already arrived or are about to come, such as the aforementioned Securities Markets Act or the Listing Act, among others, will give the final push to the desired IPOs, since the market revaluation and the interest rate environment now make the market more attractive compared to other alternative competing products, such as venture capital or private equity.

I hope that soon we will be able to greet each other again on this trading floor during the ringing of the bell of one of the long list of companies that have already expressed their interest in going public. This would be excellent news for you, for the companies and for the market. That is to say: for everyone.

To conclude, and as Jos mentioned earlier, I reiterate my thanks to all of you who have come today, as well as to the media you represent. Your work is essential for the promotion and dissemination of financial education and, therefore, for the proper functioning of the markets. As you well know, at BME we greatly value the sagacity and rigor with which you always work, offering analysis and context to the financial community. But today I would also like to pay special tribute to your work for those citizens who are not experts and whose financial knowledge is, to a large extent, in your hands.

On behalf of BME, SIX and myself, thank you for your vocation, for the passion with which you work and follow market issues on a daily basis, and for your relentless coverage of the issues that concern us in the stock market.

May 2024 be full of health and good news for all of you and your loved ones.

Thank you very much.